
OLR Bill Analysis

sHB 5450

AN ACT CONCERNING ARBITRATION IN MOTOR VEHICLE ACCIDENT CASES.

SUMMARY:

This bill allows a court, at the request of all parties in a civil action involving a claim of bodily injury from a motor vehicle accident, to refer the case to an arbitrator chosen by the parties or their attorneys. Under the bill, any such arbitration must include limits to the damage award that an injured party may receive.

The bill also limits the applicability of the arbitrator's findings and damage award. Under the bill, the arbitrator's (1) finding is binding only on the parties to the civil action and (2) damage award cannot be used by or against any party to the arbitration in any later civil action or proceeding.

EFFECTIVE DATE: July 1, 2014, and applicable to any civil action pending on or filed on or after that date.

BACKGROUND

Marques v. Allstate (140 Conn. App. 335 (2013))

Background. The insured, Marques, brought an action against his insurer, Allstate, to recover underinsured motorist benefits under his automobile insurance policy following a motor vehicle accident. The Superior Court, granted the insurer's motion for summary judgment and the insured appealed.

Holding. The Appellate Court held that the insured's claim for underinsured motorist benefits was barred by the doctrine of collateral estoppel. (Collateral estoppel, or issue preclusion, prohibits the relitigation of an issue when the issue was fully or fairly litigated in a prior action.)

The Appellate Court found that the issue of Marques' total compensatory damages, resulting from the collision, was litigated and determined in the binding arbitration hearing in his action against the other driver's insurer. The Appellate Court concluded that Marques was not entitled to recover damages under the underinsured motorist provisions of his own automobile insurance policy because:

1. the arbitrator in the prior action found that \$20,000 constituted fair, just, and reasonable compensation for the damages;
2. the other driver's insurer paid \$20,000 in compliance with the arbitrator's findings; and
3. the other driver was not an underinsured operator because the amount of the total compensatory damages, as finally determined by the arbitrator, did not exceed the limit of coverage under that driver's liability insurance policy.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute

Yea 37 Nay 2 (03/28/2014)